

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* 1st as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Arizona Administrative Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 6. ECONOMIC SECURITY

CHAPTER 5. DEPARTMENT OF ECONOMIC SECURITY

SOCIAL SERVICES

PREAMBLE

1. Sections Affected

Article 25

R6-5-2501

R6-5-2502

R6-5-2503

Article 26

R6-5-2601

R6-5-2602

R6-5-2603

R6-5-2604

R6-5-2605

R6-5-2606

R6-5-2607

Article 27

R6-5-2701

R6-5-2702

R6-5-2703

R6-5-2704

R6-5-2705

R6-5-2706

R6-5-2707

Article 61

R6-5-6101

R6-5-6102

R6-5-6103

R6-5-6104

Article 68

R6-5-6801

R6-5-6802

R6-5-6803

R6-5-6804

R6-5-6805

R6-5-6806

R6-5-6807

R6-5-6808

Rulemaking Action

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

Repeal

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. §§ 41-1954(A)(3) and 46-134(12)

Implementing statute: A.R.S. §§ 41-1954(A)(3) and 46-134(12)

3. Effective Date of the Rule:

June 5, 1997

Notices of Final Rulemaking

4. A list of all previous notices appearing in the Register addressing the final rule:

Notice of Rulemaking Docket Opening:

2 A.A.R. 1719, May 10, 1996

Notice of Proposed Rulemaking:

2 A.A.R. 4335, October 25, 1996

5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Vista Thompson Brown

Address: Department of Economic Security
1789 West Jefferson, Site Code 837A
Phoenix, Arizona 85007

or

Department of Economic Security
P.O. Box 6123, Site Code 837A
Phoenix, Arizona 85005

Telephone: (602) 542-6555

Fax: (602) 542-6000

6. An explanation of the rule, including the agency's reasons for initiating the rule:

In keeping with the proposed plan of action set forth in the report of the Department's Five-year Review of the rules in 6 A.A.C. 5, the Department is repealing the rules listed above. Many of the rules are very old and were written before the development of the many specialized programs the Department now offers. They are also written in a style and format that is no longer appropriate for rulemaking. In addition, they are not necessary for the following reasons:

Article 25. The rules in this Article govern internal procedural matters which are not appropriate subjects for rules. To the extent that these rules govern matters which directly or substantially affect the public, these matters are covered in more specific rules dealing with particular programs.

Article 26. These rules are no longer necessary because the Department has a comprehensive civil rights rule in 6 A.A.C. 1, which contains matters of general applicability to all Department programs and administrations. This Article simply repeats matters that are adequately covered in the Chapter 1 civil rights rule.

Article 27. These rules are no longer necessary because the programs which are the subject of this Chapter do not provide any benefits which are subject to monetary recoupment or underpayment. Other programs with monetary benefits have specific rules governing overpayments and underpayments. Moreover, much of the information which is the subject of these rules is covered in statute or in general Department rules concerning set-offs.

Article 61. These general rules are no longer necessary because they have been replaced by rules in other Articles governing specific programs through which the Department provides various services.

Article 68. These rules are no longer necessary because they are duplicative of state statutes passed during the past several years. Any matters not currently addressed in statute are more appropriately placed in internal policy rather than in rule.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

8. The summary of the economic, small business and consumer impact:

This economic, small business, and consumer impact statement analyzes the cost and benefits that will accrue to persons and entities affected by the repeal of these rules. There is no measurable economic impact attributable to this rulemaking action. The Department is repealing outdated, unnecessary rules. Both state employees and members of the public will benefit from the resulting elimination of confusion. The estimated cost to the Secretary of State's office is minimal, originating from costs of staff time to publish the rulemaking documents and for the Department to delete the rules from written materials. These costs are offset by the savings that result from no longer needing to continue publication and distribution of outdated rules.

9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

The Department did not make any changes between the proposed rules and the final rules.

10. A summary of the principal comments and the agency response to them:

The Department did not schedule a public hearing on proposed rulemaking. No one requested a hearing or submitted any comment on the proposed rulemaking.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable.

12. Incorporations by reference and their location in the rules:

None.

13. Was this rule previously adopted as an emergency rule?
No.

14. The full text of the rules follows:

TITLE 6. ECONOMIC SECURITY

CHAPTER 5. DEPARTMENT OF ECONOMIC SECURITY

SOCIAL SERVICES

ARTICLE 25. CASE RECORD

Section

- R6-5-2501. Definitions
- R6-5-2502. Responsibilities
- R6-5-2503. Confidentiality

ARTICLE 26. CIVIL RIGHTS

Section

- R6-5-2601. Objective
- R6-5-2602. Authority
- R6-5-2603. Definitions
- R6-5-2604. Records and reports
- R6-5-2605. Training
- R6-5-2606. Complaints
- R6-5-2607. Compliance

ARTICLE 27. OVERPAYMENTS AND UNDERPAYMENTS

Section

- R6-5-2701. Objective
- R6-5-2702. Authority
- R6-5-2703. Definitions
- R6-5-2704. Reporting changes affecting money payments
- R6-5-2705. Notification of overpayments and underpayments
- R6-5-2706. Responsibility to report overpayments
- R6-5-2707. Case management

ARTICLE 61. RESOURCE SERVICES

Section

- R6-5-6101. Definitions
- R6-5-6102. Service description
- R6-5-6103. Eligibility
- R6-5-6104. Discontinuation of service

ARTICLE 68. RELINQUISHMENT AND SEVERANCE SERVICES

Section

- R6-5-6801. Goals
- R6-5-6802. Objective
- R6-5-6803. Authority
- R6-5-6804. Definitions
- R6-5-6805. Description of services
- R6-5-6806. Financial eligibility
- R6-5-6807. Determining the need
- R6-5-6808. Case management

ARTICLE 25. CASE RECORD

R6-5-2501. Definitions

- A. "Client". A recipient of social services.
- B. "Contractor". Any private agency, institution, public agency or vendor which executed an agreement with the Department to furnish services for monetary reimbursement.
- C. "Department". The Department of Economic Security.
- D. "Primary client". An individual with or for whom, a specific goal has been established, constraints identified and who received social services for the purpose of achieving that goal.
- E. "Progress evaluation". A formal review of a primary client's service plan to determine if progress was made toward the

attainment of an earlier stated objective and the related federal goal (refer to DES 5-2505(A)).

R6-5-2502. Responsibilities

- A. A case record shall be maintained for every applicant or recipient of social services.
- B. The case record shall contain documentation of financial and non-financial criteria which establish initial and continuing eligibility for social services and other material as specified in DES 5-25.
- C. The complete case record shall be made available to the Department of Economic Security for Quality Assurance, Federal auditing, and other state monitoring purposes.
- D. Closed case records shall be kept for the time specifically required in the official instructions of the Department of Economic Security.
- E. A progress evaluation shall be completed at least every six months for every primary client's plan.

R6-5-2503. Confidentiality

In accordance with state and federal regulations, the contents contained in case records are confidential (refer to R6-5-23 and DES-5-23, "Safeguarding of Records and Information").

ARTICLE 26. CIVIL RIGHTS

R6-5-2601. Objective

The Department shall assure the protection of civil rights of individuals or families so that no individual or family will be denied the right to apply for or receive, social services on the basis of race, color, religion, national origin or sex.

R6-5-2602. Authority

Federal Civil Rights Act of 1964 and A.R.S. §§ 41-1954(1)(b) and 41-1954(3).

R6-5-2603. Definitions

- A. "Application". A written request for social services.
- B. "Complaint". The verbal or written statement which alleges discrimination against any individual or family.
- C. "Compliance". The administration of all Social Service programs in accordance with the federal Civil Rights Act of 1974 and Title 41 A.R.S.
- D. "Contract provider". Any private agency, institution, public agency or vendor which has executed an agreement with the Department to furnish services for monetary reimbursement.
- E. "Department". The Department of Economic Services.

R6-5-2604. Records and reports

The Department shall maintain records and submit reports as required by federal authorities to assure compliance with federal law.

R6-5-2605. Training

The Department shall inform and instruct the following as to their duties and responsibilities regarding civil rights:

1. Department social services staff.
2. Contract providers.
3. Individuals and agencies licensed or certified by the Department to provide services.

Arizona Administrative Register
Notices of Final Rulemaking

R6.5.2606. Complaints

The Department shall establish procedures for the investigation and resolution of complaints regarding civil rights or discrimination.

R6.5.2607. Compliance

- A. The Department shall:
1. Establish procedures for insuring compliance.
 2. May revoke a license or certification for noncompliance.
 3. May revoke a contract for noncompliance.
- B. The Department shall take corrective action on verified complaints within 60 days.

ARTICLE 27. OVERPAYMENTS AND UNDERPAYMENTS

R6.5.2701. Objective

The Department shall provide for the equitable resolution of overpayments or underpayments made to clients or contract providers.

R6.5.2702. Authority

A.R.S. §§ 41-1954(1)(b), 41-1954.3, 46-140 and 46-215.

R6.5.2703. Definitions

- A. "Client". Any person receiving social services.
- B. "Contract provider". Any private agency, institution, "public agency" (as defined in A.R.S. § 11-951) or vendor which has executed an agreement with the Department to furnish services for monetary reimbursement.
- C. "Department". The Arizona State Department of Economic Security.
- D. "Overpayment". Money paid to a client or a contract provider on behalf of the client for which the client was ineligible.
- E. "Prime sponsor-contract provider". Any private agency, institution, "public agency" (as defined in A.R.S. § 11-951) or vendor which has executed an agreement with the Department to furnish services and act as an extension of D.E.S. in the administration of those services contracted. The administration responsibilities are similar to those of D.E.S. and include but are not limited to: the application process, determination of eligibility, maintenance of case records, and input to the Social Services Information System.
- F. "Underpayment". Money for which a client or contract provider is eligible but did not receive.

R6.5.2704. Reporting changes affecting money payments

- A. The Department, prime sponsor or contract provider shall inform the client of the responsibility to report any changes that affect money payments.
- B. These changes shall include, but not be limited to, changes of:
1. Address;
 2. Income
 3. Name; and
 4. Composition of the family.

R6.5.2705. Notification of overpayments and underpayments

- A. The Department shall establish procedures for reporting and recovering funds which have been incorrectly paid.
- B. The Department, prime sponsor or contract provider shall take timely and positive action to resolve any incorrect payments or collections.

R6.5.2706. Responsibility to report overpayments

- A. Any Department employee having information that funds were paid incorrectly in the delivery of services administered by the Department shall promptly follow the established reporting procedure. Failure of the employee to make the report required or failure of the supervisor of such employee, if aware of such fact, to direct the employee to make the report constitutes

cause for immediate dismissal from the Department of such employee and supervisor (A.R.S. § 46-140).

- B. The prime sponsor or contract provider shall be required to follow promptly the established reporting procedure.

R6.5.2707. Case management

- A. Records and reports. Records shall be established and maintained and reports submitted as prescribed by the Department.
- B. Confidentiality. The rules and regulations of the Department for securing and using confidential information concerning the client will be followed. Refer to Title 6, Chapter 5, Article 23 (Safeguarding of Records and Information).
- C. Appeals. Refer to Title 6, Chapter 5, Article 24 (Complaints and Appeals).
- D. Civil rights. Refer to Title 6, Chapter 5, Article 26 (Civil Rights).

ARTICLE 61. RESOURCE SERVICES

R6.5.6101. Definitions

The following definitions shall apply in this Article, unless the context otherwise requires:

1. "Authorized Department representative" means a person designated by the Arizona Department of Economic Security.
2. "Case manager" means a person whose responsibilities are case management and which may include the provision of social services to families and children. The term "case manager", as used in DESACYF social services policy, encompasses such titles as child protective services worker, caseworker, social worker and worker.
3. "Case plan" means the establishment of case goals, services to be delivered and actions to be taken to resolve identified problems.
4. "Child, youth, or juvenile" means an individual who is under the age of 18.
5. "Client" means a person or persons who, as part of a family, receive services from the Arizona Department of Economic Security with the focus on the protection and well being of the children.
6. "Department" means the Arizona Department of Economic Security.
7. "Eligibility" means the requirements an individual or family must meet to receive services funded by the Department.
8. "Eligible person(s)" means an individual or family who meets all of the requirements for receiving a service.
9. "Family" means persons, including at least one child, related by blood or law, or who are legal guardians of a child, or who are residing in the same household. Where persons related by blood or law do not reside in the same household and where adults other than spouses reside together, each may be considered a separate family when it is to the benefit of the child. A child temporarily residing in foster care may be considered a member of the parents' family or as a family of one, whichever is to the benefit of the child. A child living with a relative not legally responsible for the child's care may be considered a family of one if it is to the benefit of the child.
10. "Resource" means any service within the Department or the community which is available and of benefit to the client.
11. "Resource Services" means separate Department funded services available to eligible persons to help prevent or remedy abuse, neglect, or exploitation of children, to maintain children in their own homes or reduce the duration of out of home care and to assist the family to main-

tain independent functioning. This includes but is not limited to day support, parent aide and counseling services.

R6.5.6102. Service description

Resource Services shall include but are not limited to:

1. Parent aide services -- provide a range of supportive services which may include teaching and modeling of parenting and home management skills; teaching the use of formal and informal community resources; supportive parenting care and transportation tasks.
2. Day support services -- provide therapeutic day activities such as counseling, recreation and socialization and educational services.
3. Counseling services -- provide a process of a non-medical nature which assists persons in dealing with a wide range of personal/interpersonal, situational and functional problems.

R6.5.6103. Eligibility

- A. Resource Services are provided at the discretion of the Department. There is no application process for these services and clients do not apply for these services.
- B. Resource Services may be provided to individuals or families without regard to income or legal residence status when:
 1. There is an open social services case; and
 2. Children are at risk of abuse, neglect or exploitation as defined in A.R.S. § 8-546; and
 3. The service is available in the community in which the family resides; and
 4. The case manager has determined a need for the service; made a referral for the service and obtained approval of the referral from an authorized Department representative; and
 5. The service will assist in:
 - a. Enabling the child to remain in the home; or
 - b. Preventing out-of-home placement; or
 - c. Reducing the length of out-of-home placement; or
 - d. Preparing the individual to live independently within the community and
 6. The availability of other community and family resources to meet family needs has been explored and the family remains in need of this service.

R6.5.6104. Discontinuation of service

Service shall be discontinued by the Department when:

1. Goals of the case plan have been achieved and new goals related to the service are not required; or
2. The family has moved and its whereabouts are unknown, or
3. The family is no longer eligible for services; or
4. An authorized Department representative determines the service is no longer appropriate or needed; or
5. The family is receiving the service from another community agency, not funded by the Department, and there is duplication of services; or
6. Resources are so limited that continued provision of the service is not possible.

ARTICLE 68 RELINQUISHMENT AND SEVERANCE SERVICES

R6.5.6801. Goals

Relinquishment and Severance Services are provided to:

1. Achieve or maintain self-sufficiency, including reduction of dependency.
2. Prevent or reduce inappropriate institutional care by providing for home-based care.

R6.5.6802. Objective

Relinquishment and Severance Services are provided so that children who cannot permanently reside with their own parent(s) may be legally free for adoptive placement.

R6.5.6803. Authority

A.R.S. §§ 41-1954(B), 46-1342(2), and 8-531 through 8-544; Title XX of the Social Security Act as amended, and the Comprehensive Annual Services Program Plan.

R6.5.6804. Definitions

- A. "Adoption" The establishment of a parent-child relationship by judicial decree.
- B. "Agency" An agency licensed by the Department to place children for adoption.
- C. "Child" "Any person under 18 years of age" (A.R.S. § 8-531(3)).
- D. "Department" The Department of Economic Security.
- E. "Juvenile court" or "court" "The juvenile division of the superior court" (A.R.S. § 8-101(6)).
- F. "Parent" "The natural or adoptive mother or father of a child" (A.R.S. § 8-531(10)).
- G. "Parent-child relationship" "All rights, privileges, duties and obligations existing between parent and child, including inheritance rights" (A.R.S. § 8-531(11)).
- H. "Relinquishment" A written document voluntarily signed by the parent authorizing the Department or Agency to place a child for adoption without further consent by the parent.
- I. "Severance" The termination of parent-child relationship by judicial decree.
- J. "Waiver of notice and appearance" A written document voluntarily signed by the parent by which the parent gives up the right to be notified of and appear at all hearings or proceedings regarding the severance of parental rights.

R6.6.6805. Description of services

- A. Counseling parents regarding adoptive placement of children.
- B. Accepting relinquishment from parents.
- C. Accepting waiver of notice and appearance from parents.
- D. Preparing the social study as required by A.R.S. § 8-536 and requesting severance of parental rights.
- E. Assisting legal counsel in filing and presenting the petition for termination of parental rights.

R6.5.6806. Financial eligibility

Financial eligibility for Relinquishment and Severance Services shall be determined by Title 6, Chapter 5, Article 21 (Determining Financial Eligibility).

R6.5.6807. Determining the need

Relinquishment and Severance Services are appropriate for children who cannot permanently reside with either parent if:

1. The child can benefit from the establishment of a new parent-child relationship; or
2. The child can benefit from the protection afforded by termination of an existing parent-child relationship.

R6.5.6808. Case management

- A. Confidentiality. The rules and regulations of the Department for using confidential information concerning the client will be followed. Refer to Title 6, Chapter 5, Article 23 (Safeguarding of Records and Information).
- B. Appeals. The rules and regulations of the Department for Appeals will be followed. Refer to Title 6, Chapter 5, Article 24 (Complaints and Appeals).
- C. Civil Rights. The rules and regulations of the Department for safeguarding Civil Rights will be followed. Refer to Title 6, Chapter 5, Article 26, (Civil Rights).

Notices of Final Rulemaking

- D. ~~Closing the service. Relinquishment and Severance Services are completed when:~~
1. ~~The child is legally free and Adoption Placement Services are instituted.~~
 2. ~~The child cannot be legally freed for adoption under this article and alternate services are provided.~~

NOTICE OF FINAL RULEMAKING

TITLE 12. NATURAL RESOURCES

CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

PREAMBLE

1. Sections Affected
R12-7-104
R12-7-183
- Rulemaking Action
Amend
Amend
2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):
Authorizing statutes: A.R.S. §§ 27-516(A) and 27-646(A)
Implementing statute: A.R.S. §§ 27-513, 27-659, and 27-509
3. Effective Date of the Rule:
June 6, 1997
4. A list of all previous notices appearing in the Register addressing the final rule:
Notice of Rulemaking Docket Opening:
3 A.A.R. 371, February 7, 1997
Notice of Proposed Rulemaking:
3 A.A.R. 348, February 7, 1997
5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:
Name: Steve Rauzi, Oil and Gas Program Administrator
Address: Arizona Geological Survey
416 West Congress, Suite 100
Tucson, Arizona 85701-1315
Telephone: (520) 770-3500
Fax: (520) 770-3505
6. An explanation of the rule, including the agency's reasons for initiating the rule:
R12-7-104 specifies permitting requirements for oil, gas, and geothermal wells. R12-7-183 specifies requirements to transport oil, gas, or geothermal resources from a lease. These rules are amended to be consistent with the recently enacted time-frame statute, A.R.S. § 41-1073.
7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:
Not applicable.
8. The summary of the economic, small business and consumer impact:
The principal impact of these rules will be on companies drilling for oil, gas, and geothermal resources. Since the rules are mostly procedural in nature, they will not significantly impact the economy or have a significant or adverse impact on small businesses or consumers. In fact, the proposed rulemaking does not increase or decrease the costs of compliance. It simply specifies the overall time-frame for agency review and decisions.

The proposed rulemaking should benefit companies drilling for oil, gas, and geothermal resources because it states the time-frame in which drilling applications or certificates of compliance and authorization to transport will be approved or denied.
9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):
Changes to R12-7-104 included the deletion of subsection (B)(3) as redundant with subsection (A)(2) and modification of the 1st sentence of subsection (B), modification of subsection (B)(2), and the addition of subsection (C) to improve clarity. Existing subsections (C) and (D) were changed to (D) and (E). The phrases "mail to" and "written notice of administrative completeness or a detailed list of deficiencies" were added to the 1st sentence of subsection (B). The phrase "in compliance with A.R.S. § 41-1076" was added to subsection (B)(2). Subsection (C) was headed "Times-frames". Subsection (C)(1) reads "The administrative review period is 30 days. The substantive review is 30 days. The overall time-frame is 60 days." Subsection (C)(2) reads "For the purpose of this subsection, intermediate Saturdays, Sundays, and legal holidays shall be included in the time-frame computation. The last day of the notice period shall be included in the computation unless it is a Saturday, Sunday, or legal holiday."

Changes to R12-7-183 included the addition of "provided by the Commission" in subsection (A) and the modification of subsection (F) to improve clarity. Subsection (F) was headed "Time-frames". The phrases "mail to" and "written notice of administrative completeness or a detailed list of deficiencies" and the sentence "The overall time-frame is 20 days." were added to subsection (F)(1). Subsection (F)(2) reads "For the purpose of this subsection, intermediate Saturdays, Sundays, and legal holidays are not included in the time-frame computation." The word "working" was deleted from subsection (F)(1) as redundant with subsection (F)(2).

10. A summary of the principal comments and the agency response to them:
Not answered.
11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
These rules were amended to comply with the recently enacted time-frame statute, A.R.S. § 41-1073.
12. Incorporations by reference and their location in the rules:
None.
13. Was this rule previously adopted as an emergency rule?
No.
14. The full text of the rules follows:

TITLE 12. NATURAL RESOURCES

CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES

- R12-7-104. Application for Permit to Drill
 R12-7-183. Certificate of Compliance and Authorization to Transport

ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES

R12-7-104. Application for Permit to Drill

- A. Before drilling or re-entering any well or conducting any surface disturbance associated with such activity, the operator shall submit to the Commission an application for permit to drill or re-enter and obtain approval. The complete application package shall contain:
 1. An application for permit to drill on a form provided by the Commission, which shall include the operator's name, address, and phone number, and a description of the proposed well and its location;
 2. A well and well-site construction plan that meets the requirements of R12-7-108 through R12-7-118;
 3. A plat, prepared and certified by a registered surveyor bearing the surveyor's certificate number, on which is shown the exact acreage or legal subdivision allotted to the well as required by R12-7-107, the well's exact location, and its ground-level elevation;
 4. An organization report as required by R12-7-194;
 5. A performance bond, as required by R12-7-103; and
 6. A fee of \$25.00 per well.
- B. ~~The Commission shall mail to the applicant, within 30 days of receipt of the application required in subsection (A), written notice of administrative completeness or a detailed list of deficiencies. Within 30 days of receipt Upon approval of all items required in subsection (A), the Commission shall review the application and:~~
 1. ~~Issue a permit to drill, or~~
 2. ~~Provide a written explanation in compliance with A.R.S. § 41-1076 to the applicant if the application is not approved.~~

~~issue a permit to drill. The Commission may require modification to the proposed construction plan before approval. A permit shall not be issued until these modifications are adhered to by the operator. The Commission shall notify the applicant in writing if the application is not approved.~~

C. Time-frames

1. The administrative review period is 30 days. The substantive review period is 30 days. The overall time-frame is 60 days.
2. For the purpose of this subsection, intermediate Saturdays, Sundays, and legal holidays shall be included in the time-frame computation. The last day of the notice period shall be included in the computation unless it is a Saturday, Sunday, or legal holiday.

C.D. Unless operations are commenced within 180 days after date of approval, the permit to drill shall become null and void unless an extension in writing is granted by the Commission.

D.E. In case of imminent danger to public safety or of contamination of the environment, the Commission may authorize the drilling of an emergency relief ~~or offset~~ well to reduce the danger or hazard. Within ~~10~~ ~~ten~~ days of commencing an emergency relief ~~or offset~~ well, the operator shall file an application as required in subsection (A). No well drilled under this subsection shall be used for production unless it conforms to the provisions of R12-7-107.

R12-7-183. Certificate of Compliance and Authorization to Transport

- A. Each producer or operator of any well shall execute under oath and file with the Commission an operator's certificate of compliance and authorization to transport oil, gas, or geothermal resources from lease provided by the Commission for each well.
- B. The certificate, when properly executed and approved by the Commission, shall constitute authorization to the pipeline or other transporter to transport oil, gas or geothermal resources from the developed unit named. The Commission may provide written permission for the transportation of production in order to prevent waste, pending execution and approval of the certificate.
- C. The certificate shall remain in full force and effect until:
 1. The operating ownership of the developed unit changes, or
 2. The transporter changes, or
 3. The certificate is cancelled by the Commission.
- D. When a change occurs in operating ownership of any developed unit, or when a change occurs in the transporter from any developed unit, the operator shall file a new certificate with the Commission within ~~10~~ ~~ten~~ days of the change. With

Notices of Final Rulemaking

- respect to a temporary change in transporter which involves less than the production of one month, the producer may, in lieu of filing a new certificate, notify the Commission and the transporter in writing of the estimated amount of oil, gas, or geothermal resources to be moved by the temporary transporter, and the name of the temporary transporter. The operator shall furnish a copy of the notice to the temporary transporter.
- E. The temporary transporter shall not move any greater quantity of oil, gas, or geothermal resources than the estimated amount shown in the notice.
- E. Time-frames
1. The Commission shall mail to the producer or operator, within 10 days of receipt of the certificate required in subsection (A), written notice of administrative completeness or a detailed list of deficiencies. Within 10 days of receipt of an administratively complete certificate, the Commission shall approve the certificate or provide a written explanation in compliance with A.R.S. § 41-1076 to the producer or operator if the certificate is not approved. The overall time-frame is 20 days.
 2. For the purpose of this subsection, intermediate Saturdays, Sundays, and legal holidays are not included in the time-frame computation.

NOTICE OF FINAL RULEMAKING

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

PREAMBLE

1. **Sections Affected** **Rulemaking Action**
R19-2-116 Amend
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statutes: A.R.S. § 5-104(A)(2)
Implementing statute: A.R.S. §§ 5-113(F) and 5-114(D)
3. **Effective Date of the Rule:**
June 3, 1997
4. **A list of all previous notices appearing in the Register addressing the final rule:**
Notice of Rulemaking Docket Opening:
2 A.A.R. 4929, December 6, 1996

Notice of Proposed Rulemaking:
3 A.A.R. 488, February 21, 1997
5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: Paul Ryneveld

Address: Arizona Department of Racing
3877 North 7th Street, Suite 201
Phoenix, Arizona 85014

Telephone: (602) 277-1704
Fax: (602) 277-1165
6. **An explanation of the rule, including the agency's reasons for initiating the rule:**
The rule change will alter the method of payment of breeders' awards for horse breeders. This amendment was initiated to clarify the payment of breeders' awards on guaranteed purses that has been an area of dispute between the horse breeders and the Department. The Arizona Thoroughbred Breeders Association and Arizona Quarter Horse Racing Association requested the rule change in order to make up for Turf Paradies's reclassification of stakes purses from Added Money to Guaranteed. The resulting change increased the purse amount earned by winning horses but provided for a lesser and disproportionate increase in Breeders' Awards earned by an Arizona-Bred Horse winning a Guaranteed race.
7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable.
8. **The summary of the economic, small business and consumer impact:**
There is no negative effect.
9. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**
Subsection (C) was changed from:

Arizona Administrative Register

Notices of Final Rulemaking

Breeders' awards are not to be paid on nominating, sustaining, or starting fees, except in races that offer a guaranteed purse value of \$50,000 or less. Breeders' awards shall be paid based on the total amount earned by the winner, including nominating, sustaining, or starting fees.

to:

Breeders' awards are not to be paid on nominating, sustaining, or starting fees. For races that offer a guaranteed purse value of \$50,000 or less, the Department shall make an award based on the total amount earned by the winner, including nominating, sustaining, and starting fees. For races that offer a guaranteed purse value of more than \$50,000, the Department shall not include nominating, sustaining, or starting fees when calculating an award.

10. A summary of the principal comments and the agency response to them:

There were no comments.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

None.

13. Was this rule previously adopted as an emergency rule?

No.

14. The full text of the rules follows:

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

ARTICLE 1. HORSE RACING

Section

R19-2-116. Arizona-Bred Eligibility and Breeders' Award Payments

ARTICLE 1. HORSE RACING

R19-2-116. Arizona-Bred Eligibility and Breeders' Award Payments

A. No change

1. No change

2. No change

B. No change

C. Breeders' awards are not to be paid on nominating, sustaining, or starting fees. For races that offer a guaranteed purse value of \$50,000 or less, the Department shall make an award based on the total amount earned by the winner, including nominating, sustaining, and starting fees. For races that offer a guaranteed purse value of more than \$50,000, the Department shall not include nominating, sustaining, or starting fees when calculating an award.

D. No change

1. No change

a. No change

b. No change

c. No change

d. No change

2. No change

3. No change

a. No change

b. No change

c. No change

d. No change

4. No change

a. No change

b. No change

5. No change.

6. No change

a. No change

b. No change

c. No change

d. No change

7. No change

a. No change

b. No change

8. No change

9. No change

10. No change

a. No change

b. No change

c. No change

d. No change

e. No change

E. No change

F. No change

G. No change